

PSF

OSS Reports

15-29 July 1944

Subject File

Box 168

OSS

July 15<sup>th</sup> - 29<sup>th</sup> 1944

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

PSF  
OSS

15 July 1944

MEMORANDUM FOR THE PRESIDENT

Miss Grace Tully  
The White House  
Washington, D.C.

Dear Grace:

Will you be kind enough to place the  
attached report before the President.

Thank you.

Sincerely,

*Bill*

William J. Donovan  
Director

DECLASSIFIED

E. O. 11652, Sec. 2(E) and 5(D) or (E)

CIA 007622

By

*ABJ*

Date

MAY 1 1974

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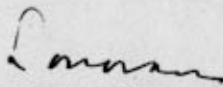
OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

15 July 1944

MEMORANDUM FOR THE PRESIDENT

I am enclosing a report on the export of ball bearings to Germany by the Swiss. This report originated with our representative in Bern, and represents the views expressed by a high German official in Switzerland. In connection with the enclosed report we have received the following message from our representative in Bern:

"We would like to warn you especially about using this material for, if our knowledge of this illegal traffic were disclosed either directly or indirectly, it could easily be traced back to the source."

  
William J. Donovan  
Director

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GERMAN NEGOTIATIONS WITH SWITZERLAND TO  
OBTAIN BALL BEARINGS

The views set forth below are reported to have been expressed by a high German official in Switzerland.

At the beginning of July 1944 Schnurre, economic expert with the German Foreign Office, was engaged in discussions with the Swiss concerning ball bearings. A study of the Swiss customs regulations made it appear that an understanding might be reached which, viewed in its entirety, would be more favorable to the Nazis than the previous state of affairs. The Germans could yield to the Swiss to the extent of agreeing that the official quota for ball bearings during the second half of 1944 should be cut from 1,400,000 to 700,000 Swiss francs. On the other hand, the Nazis believed that they would be able to arrange the export of a greater number of axle bushings for armored vehicle motors, ball bearings, and articulation bearings for the fighter plane program. The Nazis have discovered in the Swiss customs schedules headings which do not fall into the specific category of ball bearings and which they hope to utilize for these exports. They anticipate that, by this means, it will be possible to export to Germany 750,000 Swiss francs worth of aircraft bearings in the second half of 1944.

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DECEMBER  
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PSF  
OSS

15 July 1944.

E. O. 11652, Sec. 3(E) and 5(D) or (E)

By WFB

Date MAY 1 1974

in Germany that I believe will interest you:

Would you please hand the attached memorandum to the President?

Thank you.

Sincerely,  
*Bill*  
William J. Donovan

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

15 July 1944

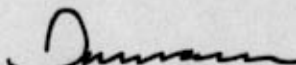
15 July 1944

MEMORANDUM FOR THE PRESIDENT

Miss Grace Tilly,  
The White House,  
Washington

Here is a report received by our representative in Bern from our informant strategically placed in Germany that I believe will interest you:

"The following is a description given of Nazi worker sentiment in the Rhineland: The opinion is universally held that collapse will come momentarily and they anticipate an armistice before the harvest. The peasants are tired of feeding the victims of bombings and there is great dissension both in rural districts and in factories. The Nazi leaders enjoy safe places behind the lines while the Reich's best men are exposed to sudden death in the occupied countries. Anti-Hitler sentiment is mounting. (The following is the comment of our representative in Bern: The foregoing is a little too optimistic.)"

  
William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

15 July 1944

MEMORANDUM FOR THE PRESIDENT

Miss Grace Tully,  
The White House,  
Washington, D. C.

Dear Grace:

Would you please place the attached  
memorandum before the President?

Thank you.

Sincerely,

*Bill*

William J. Donovan,  
Director.

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

15 July 1944

MEMORANDUM FOR THE PRESIDENT

Bern:

terror. In this situation, we cannot expect very much of a reaction from the German people. Still there are some people in Germany who might conceivably act if we could get over the idea that, by so doing, they could in some way help to improve the future. Let them help a reformed Germany to take an honorable place in the Europe of tomorrow. Under the conditions existing in Germany today, any form of this appraisal of the situation comes from the gravest risk of inevitable annihilation. Persons are not likely to take this risk unless they feel that, by their action, and very probably by their sacrifice, they can "The end for Germany is in sight. How long it will be before the collapse comes is now not only a question of the success of the various battlefields, but it also depends upon the extent of the German peoples' willingness to continue to wage a hopeless struggle. A great percentage -- how high, it is impossible to state -- of the German people are now persuaded that it is a hopeless battle. Many, however, who have this realization, fight on or work on because they see no alternative, no hope, no future. Goebbels' propaganda to the effect that the Allies, if victorious, intend to annihilate the German people for generations, to reduce them to slavery, has been effective. This propaganda is believed in wide circles in Germany. Goebbels has taken and twisted the slogan of unconditional surrender and made the people feel that the slogan means unconditional annihilation. More than ten years of Nazi propaganda and more than four years of war, plus the bombardments, have reduced the German people to a state of fatalistic lethargy in the field of intellectual matters. Most of them no longer think or reason, but merely react. The youth, with no knowledge of anything but Nazism, is still fanatical, and furnishes the best cannonfodder. The workers perform mechanically because they must eat and because of the Gestapo and such surrender, and his future will be tolerable; that a reformed, demilitarized Germany has a necessary and vital place in the life of Europe.

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- 2 -

terror. In this situation, we cannot expect very much of a reaction from the German people, but still there are some people in Germany who might conceivably act if we could get over the idea that, by so doing, they could in some way help to improve the future lot of the German people and help a reformed Germany to take an honorable place in the Europe of tomorrow. Under the conditions existing in Germany today, any form of opposition to the Nazi regime involves the gravest risk of immediate execution. Persons are not likely to take this risk unless they feel that, by their action, and very probably by their sacrifice, they are doing something to aid their country's future and to lighten the lot of their fellow citizens. These people ask themselves why they should risk their lives, if the ultimate result, as far as Germany is concerned, is exactly the same as if they remained, passive and allow the inevitable collapse to come in due course and time.

"While the story of Italy over the past year is hardly a brilliant one, nevertheless, now, most Italians realize that, despite their suffering, they will be better off for the future because they have contributed in some measure themselves to rid their country of Fascism. Those who are now fighting with our troops, or in the Italian mountains, will furnish the nucleus around which a new and a more virile Italy can be built. These Italians have had this chance only because, with our aid, they staged a kind of revolution. I do not believe that we should make any political or territorial promises of any nature to the Germans. Unconditional surrender must remain the principle for the German military machine and its Nazi rulers. However, this does not mean that we could not and should not help the German people to force this unconditional surrender by explaining to them what we mean, and by holding out some hope that the fate of the individual German, after such surrender, and his future will be tolerable; that a reformed, demilitarized Germany has a necessary and vital place in the life of Europe.

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- 3 -

"Many Germans are beginning to realize that there is no hope of any consideration from the Allies as long as Hitler and his gang are in power. They do not know, however, whether there is any hope for them if the Nazis are removed and the military machine is smashed. Of course, one difficulty lies in the fact that there is no hope of a revolution in Germany without the aid of the military, and therefore any statement which couples the destruction of Nazism with the destruction of the military tends to throw the army into the hands of the Nazis. The time is fast running out when any action within Germany would be of great value to us, as military victory may be around the corner. It may be some months off. Those opposed to the Nazis realize this and recognize that the next few weeks may be their last chance to show that they are willing to take some risks in making the first move to clean their own house. We must judge, on our side, whether the encouragement of any effort towards a revolution in Germany will, at this juncture, help to save thousands of lives of Allied soldiers fighting on the various fronts.

"Prime Minister Churchill, in a statement attributed to him in the paper today, in the House of Commons, emphasized the desirability that the German people themselves should take steps to overthrow the Nazi government. I believe that it would be helpful if a similar and somewhat expanded statement could be authoritatively made on our side at this time. Possibly coupled with this statement, some indication could be given that the individual German citizen, who had not been a party to the Nazi crime, need have nothing to fear and something to hope from an Allied victory. The German people might be challenged to show the falsity of Goebbels' boast that there is not a single man in Germany who is not back of the Nazi leaders. We might well say that we have never

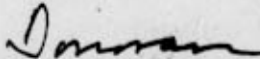
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- 4 -

and do not now believe Goebbels, and do not believe that the whole German people has sunk to his level. We could tell the German people that their fate lies in their own hands, and those who say that the United Nations mean to exterminate them or reduce them to slavery are merely deceiving them in order to perpetuate themselves in power; that now is the last clear opportunity for the German people to show that they will not continue blindly to follow Hitler to the inevitable catastrophe.

"I do not predict that this line will produce a revolution in Germany, but if there is any slight chance of it, and if we wish to help to bring it about, a statement of this nature would certainly be timely. I admit that I have at times wavered between the idea that we should leave Hitler and his gang at the helm until the ship sinks, and the idea of a constructive form of psychological warfare to wean the people from Hitler and bring about an internal revolution. Today, with the Russians at the door of East Prussia, with the invasion a success, and Italy practically lost to the Germans, Hitler stands before history as a beaten leader, and encouragement to internal revolt may be given without much risk that the Hitler legend could rise again on the myth of a stab in the back."

  
William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

17 July 1944

17 July 1944

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MEMORANDUM FOR THE PRESIDENT

Miss Grace Tully, active in Bern has obtained the  
The White House,  
Washington, D. C. I believe, will be of interest  
to you on a visit by Jules Sauerwein to the Nazi  
Embassy at Bern:

Dear Grace:

The President may want to know this.  
a visit to the Nazi Embassy at Bern during  
the last of June 1944. He is said to  
have stated that he had held discussions in  
Portugal with agents of the United States Sec-  
ret Service. Sincerely, In his opinion, the  
United States agents were not as bitter as  
the British in their feeling against the  
Germans. Sauerwein is to go back to  
Portugal in the fall, in response  
to an invitation from Prime Minister Salazar.

*Bill*

William J. Donovan,  
Director.

\*A French journalist, now a collaborationist.

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CIA 007622  
MAY 1 1974

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OFFICE OF STRATEGIC SERVICES

WASHINGTON, D. C.

17 July 1944

17 July 1944

MEMORANDUM FOR THE PRESIDENT

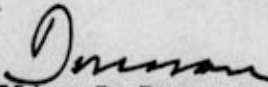
Our representative in Bern has obtained the following report which, I believe, will be of interest to you on a visit by Jules Sauerwein to the Nazi Embassy at Paris:

"Jules Sauerwein\* is reported to have paid a visit to the Nazi Embassy at Paris during the last week in June 1944. He is said to have stated that he had held discussions in Portugal with agents of the United States Secret Service and that in his opinion, the United States agents were not as bitter as the British in their feeling against the Germans. Sauerwein plans to go back to Portugal in the summer or fall, in response to an invitation from Prime Minister Salazar."

William J. Donovan,

Director.

\*A French journalist, now a collaborationist.

  
William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

PSF  
OSS

17 July 1944

Miss Grace Tully  
The White House  
Washington, D. C.

Dear Grace:

Would you be kind enough to place the  
attached report before the President.

Thank you.

Sincerely,

*Bill*

William J. Donovan  
Director

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E. O. 11652, Sec. 3(E) and 5(D) or (E)  
CIA 007622  
By *APJ* Date MAY 1 1974

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OFFICE OF STRATEGIC SERVICES

WASHINGTON, D. C.

EFFECTS OF 17 July 1944 OIL-PRODUCING

CENTERS AND REFINERIES IN GERMANY AND ROUMANIA

MEMORANDUM FOR THE PRESIDENT

The bombing raids against oil-producing centers and refineries in Germany and Roumania had the following results:

I believe that you will find of interest Five hundred 28 June 1944 and caused severe damage to the Bucharest station and the attached report obtained by our representative of 29 June 1944 damaged two of the four pipe lines running from Ploesti on the effects of German raids on oil-producing centers and refineries in Germany and the Prahova refinery.

The air attacks on the German refineries resulted in heavy Roumania. Leuna was completely demolished. The effects of these raids are already apparent. At the beginning of July there was no propane gas on hand. This gas is bottled at Leuna. Industrial gasworks factories are receiving only 50% of their pre-July allotment, and the civilian population is receiving none at all.

*William J. Donovan*  
Director

All army vehicles will be converted to generator-propelled vehicles. A requisition has been submitted by the Army to the Isbert\* factory at Attendorn in Westphalia for 300,000 generators.

\*The main plant of the Isbert Generatoren Gesellschaft A.G. was located in Koeln-Braunfels; it is believed to have been moved to Attendorn, Westphalia, 28 kilometers east north-east of Koeln.

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EFFECTS OF BOMBING RAIDS ON OIL-PRODUCING  
CENTERS AND REFINERIES IN GERMANY AND ROUMANIA

The Germans have stated that the bombing raids against oil-producing centers and refineries in Germany and Roumania had the following results:

Five hundred American bombers carried out a raid on 28 June 1944 and caused severe damage to the Bucharest station and the traffic installations at Craiova and Slatina. The raid of 29 June 1944 damaged two of the four pipe lines running from Ploesti to the Danube, and caused particular damage to the Prahova refinery.

The air attacks on the ersatz refineries resulted in heavy damage on Leuna and completely demolished Poelitz. The effects of these raids are already apparent. At the beginning of July there was no propane gas on hand. This gas is bottled at Leuna. Industrial armament factories are receiving only 50% of their pre-July allotment, and the civilian population is receiving none at all.

All army vehicles will be converted to generator-propelled vehicles. A requisition has been submitted by the Army to the Imbert\* factory at Attendorn in Westphalia for 300,000 generators.

\*The main plant of the Imbert Generatoren Gesellschaft A.G. was located in Koeln-Braunfels; it is believed to have been moved to Attendorn, Westphalia, 68 kilometers east north-east of Koeln.

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OFFICE OF STRATEGIC SERVICES

WASHINGTON, D. C.

17 July 1944

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OSS

MEMORANDUM FOR THE PRESIDENT

Miss Grace Tully  
The White House  
Washington, D. C.

Dear Grace:

Will you be good enough to place the attached report before the President.

Thank you.

Sincerely,

*Bill*

William J. Donovan  
Director

DECLASSIFIED

E. O. 11652, Sec. 3(E) and 5(D) or (E)

CIA 007622

By

*RRS*

Date

MAY

1 1974

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

17 July 1944

MEMORANDUM FOR THE PRESIDENT

I think you will find the following report of interest. It relates to negotiations in Madrid by the Argentine Military Attache for German arms and manufacturing rights:

"In the first week of July 1944 it was said that Colonel Velez, the Argentine Military Attache in Madrid, was again putting out feelers to find out if Spitsy (sic), Madrid representative for the Bruenn and Skoda armament plants, would be able to obtain arms and manufacturing rights for the Argentine Army through Spain. The money would be paid in free foreign exchange and a Spanish intermediary would be used for purposes of camouflage."

*Donovan*

William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES

WASHINGTON, D. C.

18 July 1944

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OSS

MEMORANDUM FOR THE PRESIDENT

Miss Grace Tully  
The White House  
Washington, D. C.

Dear Grace:

Would you be good enough to place the  
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Thank you.

Sincerely,

*Bill*

William J. Donovan  
Director

William J. Donovan  
Director

~~SECRET~~

A. C. 11652, Sec. 3(E) and 5(D) or (E)

CIA 007622

By

PS

Date MAY 1 1974

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OFFICE OF STRATEGIC SERVICES

WASHINGTON, D. C.

18 July 1944

MEMORANDUM FOR THE PRESIDENT

From the Chief of our organization in the Southeast Asia Command we have received a report that before long the Japanese intend to disarm French troops in French Indo-China. It is said that only those troops which are posted near the frontier can be expected to offer any resistance.

*Donovan*

William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

18 July 1944

Miss Grace Tully,  
The White House,  
Washington, D. C.

Dear Grace:

Would you be kind enough to place  
the attached memorandum before the President?

Thank you.

Sincerely,

Bill

William J. Donovan,  
Director.

OFFICE OF STRATEGIC SERVICES

WASHINGTON, D. C.

Subject: General Chen Chi-mei

General Chen Chi-mei, a revolutionary of doubtful reputation, Chekiang landlord and Imperial officer, was a patron of Chiang Kai-shek. Together with his brothers, Chen Li-fu and Chen Kuo-fu, who are today powerful forces, he helped finance and sponsor the present Generalissimo in early revolutionary days. Chiang and the Chen brothers, under the guidance of Chen Chi-mei, are said to have taken blood brotherhood oaths in times when the Kuomintang was a small secret society.

19 July 1944

MEMORANDUM FOR THE PRESIDENT

The Chens proved valuable to Chiang for many years. Chen Kuo-fu was made Chiang's secretary when he became Commander-in-Chief of the Nationalist Army. He financed Chiang's army. I attach two biographical reports on General Chen Chi-mei and General Huang Hsing, which may be of interest.

Although their services, political connections and financial backing proved useful to the rise of Chiang Kai-shek, it is now problematical whether their continued proximity to the Generalissimo will be beneficial. Their recent revolutionary days have long since passed and the old revolutionary and policies of the "IX Clique" have evoked severe criticisms from the outside world and from factions opposing fascist tendencies in Chungking. Their influence is a powerful factor, particularly when regarded in the light of close bonds with Chiang, fostered by their uncle Chen Chi-mei.

*Donovan*  
William J. Donovan  
Director

Chen Chi-mei started life as an apprentice to a pawnshop keeper and was subsequently engaged in the silk trade in Shanghai where he joined the revolutionary party. He studied military science in Japan and there met Chiang, then a young student, and was instrumental in initiating him into revolutionary activities and secret societies.

Though Chiang returned to China, he went again to Japan in 1907. Under Chen's guidance he became a member of the Tung Meng Hui, a revolutionary society started in Tokyo by Sun Yat-sen in 1901. It was a frankly radical society, socialistic in some respects, which sought to place China in a position of equality

Subject: General Chen Chi-mei

General Chen Chi-mei, a revolutionary of doubtful reputation, Chekiang landlord and Imperial officer, was a patron of Chian Kai-shek. Together with his nephews, Chen Li-fu and Chen Kuo-fu, who are today powerful Kuomintang bosses, he helped finance and sponsor the present Generalissimo in early revolutionary days. Chiang and the Chen brothers, under the guidance of Chen Chi-mei, are said to have taken blood brotherhood oaths in times when the Kuomintang was a small secret society.

Such close connection with the Chens proved valuable to Chiang for many years. Chen Kuo-fu was made Chiang's secretary when he became Commander-in-Chief of the Nationalist Army. He financed Chiang's career in part, was helpful in destroying the left-wing of the Kuomintang, and is now Minister of Organization of the Kuomintang. Chen Li-fu, the main organizer of Mme. Chiang's New Life Movement, is presently Minister of Education and responsible for current "thought control" policies.

Although their services, political connections and financial backing proved useful to the rise of Chiang Kai-shek, it is now problematical whether their continued proximity to the Generalissimo will be beneficial. Their ardent revolutionary days have long since passed and the reactionary institutions and policies of the "CC Clique" have evoked severe criticism from the outside world and from factions opposing fascist tendencies in Chungking. Their influence is a powerful factor, particularly when regarded in the light of close bonds with Chiang, fostered by their uncle Chen Chi-mei.

Chen Chi-mei started life as an apprentice to a pawnshop keeper and was subsequently engaged in the silk trade in Shanghai where he joined the revolutionary party. He studied military science in Japan and there met Chiang, then a young student, and was instrumental in initiating him into revolutionary activities and secret societies.

Though Chiang returned to China, he went again to Japan in 1907. Under Chen's guidance he became a member of the Tung Meng Hui, a revolutionary society started in Tokyo by Sun Yat-sen in 1901. It was a frankly radical society, socialistic in some respects, which sought to place China in a position of equality

with the Great Powers. Later, on August 13, 1912, the Tung Meng Rui was united in a coalition with other revolutionary parties and became a part of the Kuomintang.

Upon his return to China in 1907, Chen attempted to establish a revolutionary newspaper in Hankow. He was arrested several times on suspicion but was released. Despite the failure of the enterprise, his revolutionary zeal remained undimmed. He continued activities against the Manchu Government by such projects as supplying the revolutionaries at Canton with Ammunition during the abortive rising there.

Finally in 1911, Chen emerged as a full-fledged revolutionary leader of the "First Revolution", aided by his nephews, the Chen brothers.

While Chen was directing the movement against the Manchus in Shanghai, Chian Kai-shek returned to that city and the assistance offered by him to Chen was readily accepted. In a short time Chiang, who lived at the Chen house, became virtually Chen Chimei's Chief of Staff and together they worked out plans of attack upon the important Kiangnan arsenal at Shanghai.

Chen visited Hangchow, laid the groundwork for an uprising and was followed by Chiang who led a parallel attack to that directed by Chen in Shanghai on November 3, 1911.

With the capture of the arsenal by the revolutionaries and the recognition of the revolutionary flag, the whole of the Shanghai District hastened to avow itself revolutionary.

Chen became "General of the Military Government of the Chinese Republic," or Tutuh, and announced his appointment to the Municipal Council of the International Settlement, saying on November 9, 1911, "Chi-mei, though incompetent, has been publicly elected by the military, students, notables and merchants to bear the responsibility of the duty of local generalissimo. Today I have begun duty."

Then the revolutionaries of other provinces, that is the new military governors, showed their strength by forcing a meeting at Shanghai to conduct negotiations in the name of the new regime.

The revolutionary deeds of Chen and his followers may



appear in large part sincere but it is reported by J.O.P. Bland in "Present Policies and Recent Events in China" that "at Shanghai the notorious corruption of the Military Governor Chen Chi-mei was reflected in the general demoralization of his subordinates, in blackmail, extortion and oppression far worse than any abuses permitted by the Manchus."

Immediately, Chen began the training of troops to carry out the next stage of revolution. He also took a prominent part in organizing the outbreaks at Hankow, Wuchang on October 10, 1911, Soochow and Nanking, and in supplying funds and ammunition for the attack upon the latter.

In the succeeding year Sun Yat-sen and his following split with General Yuan Shih-kai, Provisional President of the Chinese Republic, because Sun wanted to do educational work and leave politics to a later stage, according to his revolutionary plan. Yuan persisted in playing politics. Chen resigned as Governor of Shanghai to follow Sun and continue revolutionary propagandizing.

On July 20, 1913, Yuan set forth an edict saying that Chen, General Huang Hsing (see supplementary report) and Po Wen-wei, Governor of Anhui Province, were dangerous rebels and were to be captured dead or alive. (Chen, on June 29, 1913, had already resigned the post of Minister of Commerce and Industry.)

Shortly after this, the "Second Revolution" broke out, lasting through July and August, 1913, with Chen again taking a major role.

On July 22, 1913, Chen gave the order for the declaration of independence of Shanghai. But the revolution did not succeed and the defenders of the same arsenal which figured in the first revolution were successful in driving off the revolutionaries.

Upon Chen's open declaration of his status as a revolutionary, he was deprived of all ranks on July 22 and exiled.

The failure of the "Second Revolution" necessitated withdrawal from China by the more prominent revolutionaries, including Dr. Sun Yat-sen, Huang Hsing, Chen Chi-mei and Chiang Kaishek. They left for exile in Japan in 1914 and there founded a new party known as the Chung Hua Ke Ming Tang, or Chinese

Revolutionary Society, whose purpose was not only to overthrow the Manchus and establish a Republic of China, but also to nationalize the land and to work for cooperation between Japan and China. The membership was very small and did not include Wang Ching-wei and Huang Hsing who would not submit to what they felt to be Dr. Sun's arbitrary methods. Their places were taken by Chen Chi-mei and Hu Han-min.

Chiang, Chen and Tai Chi-tan were later sent to Dairen to establish revolutionary organs as Yuan, by Presidential Mandate, had the Kuomintang dissolved on January 10, 1914. Chen did not stay long in Dairen but returned to Shanghai with his followers Wu Chungshin, Hsu Lang-hsi and Ting Ching-liang.

Chen's revolutionary activities led to a Presidential Mandate on July 15, 1914, giving orders to authorities to "execute everyone who took in payment notes circulated by Sun Yat-sen or those bearing the signature of Huang Hsing and Chen Chi-mei which are circulated especially among the troops to incite them against the Government."

Since the split in the party Chen, by carrying out such activities, had long been a thorn in the side of Yuan Shih-kai and was feared even more than Sun Yat-sen himself as Chen was known to be a man of violent action.

Yuan conceived a plot whereby false negotiations were started for funds, supposedly to be supplied by the Japanese, in support of revolutionary activities. In the course of secret meetings concerning this matter, Chen was assassinated by a hireling of Yuan on May 18, 1915.

## Huang Hsing

General Huang Hsing, sporadically associated in revolutionary activities with Chen Chi-mei and close friend of Dr. Sun Yat-sen, was a native of Hunan who spent many years in Japan. He was prominent in several abortive attempts to start a revolt against the Manchus.

Huang was in command of the forces at Hanyang until that place was captured by Imperial troops. He was appointed Minister of War in the Provisional Cabinet at Nanking, and Commander-in-Chief of one of the divisions formed for the purpose of marching on Peking. On the abdication of the Manchus, many southerners advocated his appointment as Minister of War in Tang Shao-yi's cabinet. He declined to accept the post but was subsequently appointed Resident General at Nanking, with control of all the southern forces. He resigned from this post on June 1, 1912, and in October became Director-General of the Szechuan Canton and Hankow Railways.

General Huang took part in the "Second Revolution" by declaring the independence of Nanking. Due to the failure of the uprising, he was deprived of all ranks with other revolutionaries on July 22, 1913, and with them fled to Japan, although shortly thereafter he separated from the following of Sun Yat-sen and returned to China in 1916.

Huang organized an army in Fukien, in order to get that province to join forces with those favorable to his interests in Kwangtung province and to drive the Kwangsi party out of Canton. This venture was successful and on May 5, 1921, Huang was inaugurated President of the Republic by the Southern Parliament although he never gained the full support of many influential citizens.

DECLASSIFIED  
DATE 11-11-10

OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

PSF  
OSS

18 July 1944

18 July 1944.

MEMORANDUM FOR THE PRESIDENT

The question of independence of American  
intelligence has come up again. Our Cairo office has  
Miss Grace Tully,  
The White House, the Greek Prime Minister Papandreu  
Washington, D.C.  
should denounce EAM/ELAS, the British will withdraw

their mission in Greece, in order to show support of  
Dear Grace:  
the Papandreu government. If this is done, I am sure

I believe the attached memorandum  
the English will also want us to withdraw. Indeed,  
will be of interest to the President. Will  
without advice to me, they have already sent notice  
you please hand it to him?

direct to our ears in the field (as well as to his own)

Thank you.  
directing their withdrawal if the denunciation is made  
Sincerely,  
by Papandreu.

If we move out with the British over a strictly  
political matter, we shall endanger the success of our  
projects in that area, thereby increasing resistance to  
the Nazis in Greece and imperil our personnel there.

*Bill*

William J. Donovan,  
Director.

The British will not be able to do so.

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E.O. 11652, Sec. 3(E) and 5(D) or (E)  
CIA 007622  
Date MAY 1 1974  
By [signature]

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

-2-

18 July 1944

MEMORANDUM FOR THE PRESIDENT that we are part of an

Allied Military Mission with them. In the case of

The question of independence of American Yugoslavia, a similar issue was involved and our intelligence has come up again. Our Cairo office has information was upheld that there had been no agreement. I informed me that if the Greek Prime Minister Papandreou an Allied Military Mission and that any arrangement should denounce EAM/ELAS, the British will withdraw formerly made for operations had been abrogated by their mission in Greece, in order to show support of British action in using the mission for political the Papandreou government. If this is done, I am sure purposes.

the English will also want us to withdraw. Indeed, while we believe it proper that we refrain without advice to us, they have already sent notice from operations if the British should withdraw, our direct to our men in the field (as well as their own) intelligence should not cease. directing their withdrawal if the denunciation is made by Papandreou.

If we move out with the British over a strictly political matter, we shall endanger the success of our projects in that area, disrupt organized resistance to the Nazis in Greece and imperil our personnel there.

The British will undertake to have us leave

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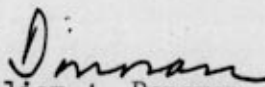
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that area on the assumption that we are part of an Allied Military Mission with them. In the case of Yugoslavia, a similar issue was involved and our position was upheld that there had been no agreement for an Allied Military Mission and that any arrangement formerly made for operations had been abrogated by British action in using the mission for political purposes.

While we believe it proper that we refrain from operations if the British should withdraw, our intelligence should not cease.

  
William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

19 July 1944

19 July 1944.

MEMORANDUM FOR THE PRESIDENT

The following report was received from our

Miss Grace Tully, Berna:  
The White House,  
Washington, D. C.

A report received regarding the German situation.  
Dear Grace: It is still functioning as  
the Supreme Commander of the Army. It is he alone  
who has the Will you please hand the attached  
report to the President. I think it will  
be of interest to him.

Thank you.  
Sincerely,  
Bill  
William J. Donovan  
Director

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~~RESTRICTED~~

OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

19 July 1944

MEMORANDUM FOR THE PRESIDENT

The following report was received from our representative in Berne:

"GERMANY"

I have received a rather interesting and detailed report on the working of the Apollo Embassy in Bern. A report received regarding the German situation emphasizes that Hitler is still functioning as the supreme commander of the Army. It is he alone who has the final decision, and he exercises his power through a small clique of generals, particularly Keitel and Jodl. At the same time, Hitler is to some extent now an instrument in the hands of the SS, and this becomes evident by the procedure which he has followed in dealing with some of the old line OKW generals who have fallen into disgrace. The reports states that General von Koechler has been reduced to the rank of colonel and put in charge of an unimportant administrative service. Marshal von Mannstein, who differed with the Fuehrer, has been temporarily retired, and is said to be in residence surveillee. As the curtain starts to go down on Germany's military achievements, the officers of the old school are losing their posts, meeting with accidents, or being relieved in one way or another, and the SS is gaining more and more effective control of the army. The report further states that when the question was discussed with regard to the use of the V-1 secret weapon, the higher army officials opposed it, not on any grounds of principle,

William J. Donovan  
Director

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but solely for strategical and tactical reasons. They felt that the employment of this bomb had little strategic value, because its effect would not be powerful enough, and because it could not be directed against precise objectives. The generals did not want to start the use of this arm until its aim could be controlled, and until it could carry with it an explosive load of six tons. However, the SS won out over the opinions of the military leaders, as the SS fondly hoped that this weapon would induce the English to seek a compromise.

"I have received a rather interesting and detailed report on the bombing of the Apollo Refinery in Pressburg. It took place a month ago. The attack took place on the morning of June 16, and the Apollo oil refinery was entirely destroyed -- also certain warehouses and depots in the city in which were stored the weapons and motorized equipment for two Slovak divisions, which had been delivered by the Germans to the Slovak government a short time before. The attack on the Apollo works was so successful that the factory was still burning on June 18 -- two days later. Many of the workers could not save themselves, and the report indicates that some nine hundred were killed and six hundred wounded. The attack was entirely unexpected; the civilian air protection and anti-aircraft defense were missing. It is characteristic that in Pressburg there had been the false belief that the city would never be attacked, resulting in complete lack of preparation, and a complete panic resulted."

*Donovan*

William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

Miss  
Tully  
to  
File  
WTF

20 July 1944

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OSS

MEMORANDUM FOR THE PRESIDENT

We have received from one of our representatives  
Miss Grace Tully,  
The White House,  
Washington, D.C.

Dear Grace:

I believe the President will be  
interested in the attached memorandum. Will  
you please hand it to him?

Thank you.

Sincerely,

*Bile*

William J. Donovan  
Director.

William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

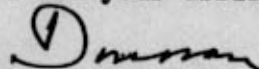
20 July 1944

MEMORANDUM FOR THE PRESIDENT

We have received from one of our representatives in Cairo the following communication which contains a message addressed to you from the Grand Rabbi of Athens:

1. "The Grand Rabbi of Athens has transmitted the following communication via the Allied Military Mission radio to President Roosevelt, Prime Minister Churchill, the rabbimates of Jerusalem and Cairo, Rabbi Stephen S. Wise and the Jewish Agency.

2. "This is the message which was transmitted: '90,000 Jews have been expatriated. All possessions have been taken by the Gestapo. 10,000 people are surviving in hiding or refuge. The situation of the refugees has been rendered critical by disease and hunger. I beg Jewish charities to dispatch food, clothing and drugs and I ask your assistance.'"



William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

21 July 1944

21 July 1944

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MEMORANDUM FOR THE PRESIDENT

Miss Grace Tully,  
The White House,  
Washington, D.C.

"GERMANY"

Dear Grace:

Will you please hand the attached memorandum to the President? I think he will be interested in it.

Sincerely,

*WJ*  
William J. Donovan,  
Director.

"Here is a report as to possible developments in Germany which is still in the field of speculation, but worth passing on."

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CIA 007622 MAY 1 1974

By *ABJ*

Date

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

21 July 1944

MEMORANDUM FOR THE PRESIDENT

There follows a report from our representative in Bern received by way of radio-telephone:

"GERMANY

"A military critic, viewing the German situation in the East, remarks that, while it is very serious, it is not absolutely hopeless if dealt with in a purely military way and without regard to questions of prestige. A capable German military command might be able to pull the chestnuts out of the fire for a time; but if the decisions are left to Hitler, this critic views the situation as practically hopeless for the Germans and believes that the next two weeks will go far towards telling the story. If Hitler insists on maintaining forces in Finland, holding his army in the Baltic, this critic feels that there is no prospect of building up an effective German defense in the East, and, judging by Hitler's past experience, he assumes that Hitler will refuse to withdraw from any of the exposed positions to which his prestige has committed him, and that sound military practice will not prevail.

"Here is a report as to possible developments in Germany, which is still in the field of speculation, but, I felt, worth passing on.

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"As soon as the enemy army reaches the German frontier, the German government will proclaim 'a people's war for the defense of the Fatherland'. The SA, which has been somewhat reactivated lately, will be entrusted with this people's war -- Volk-krieg. German factory workers will be given arms to defend their factories, but at first arms will be distributed only to factories which are near the front line. In this way, the armed workers would constitute a second armed on the home front, next to the SS, which has had the monopoly of armed power at home up to the present time. My informant explains this somewhat strange prediction by stating that the purpose of this is to help counterbalance the armed force of the Wehrmacht once it has retreated and taken up a position on German soil. Apparently the SS realize that the Wehrmacht, under these conditions, might try to suppress the SS, and that the position of the latter would be stronger if there were, in addition to the Wehrmacht and the SS, a third armed power in the interior; in this way, the SS might be able to turn the workers against the Wehrmacht and play the role of a controlling force between the two. However, it is reported that this plot of the SS is already known to the workers and that something in the nature of a working arrangement between the Wehrmacht and the factory workers may be in preparation, and that numerous contacts have been made between groups of the Wehrmacht and committees of factory workers. I give the foregoing with reserve, as I doubt whether the SS would dare to arm the workers to any extent at the present time. Further, there are not a very large number of male German workers of military age to arm.

"ITALY

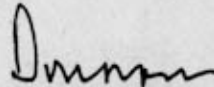
"On June 25 a bomb was thrown into a bar fre-

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- 3 -

quented by German soldiers in the city of Genoa. No one knows who threw the bomb, but one German soldier was killed outright, and five died of their wounds. The German soldiers, who were in relatively small numbers in Genoa, and who had feared a Partisan raid on the city, lost their heads and started shooting at random. A group of Polish soldiers with the German forces, thinking that the Germans were firing at them, fired back, and a panic spread through the city which reached such proportions that the general impression of a serious raid on the town was created. This first-hand report is indicative of the state of mind of the German troops in Genoa.

"A report received from North Italy states that the Fascist Party is to disappear largely from public view, but that its members will continue to work as underground units in small squads of action, grouping trusted members of the Party organization. Substantial sums of money have already been distributed to finance these groups."



William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

21 July 1944  
21 July 1944

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MEMORANDUM FOR THE PRESIDENT

I thought you would be interested in the  
Miss Grace Tully,  
The White House, the "Reorganization of the Fas-  
cist Party",  
Washington, D. C.

"Mussolini is said to have told the Secre-  
Dear Grace: e to Italy of the reorganization of the  
Fascist Party which was ordered along the following  
lines on 21. I believe the attached report will

be of interest to the President. Will you then a  
political duty in the current crisis, is to be grouped  
in kindly hand it to him? with military sub-divisions  
to be named "Corpo Ausiliario delle Squadre d Azione  
delle Canici. Thank you. The leaders will be called in  
accordance with their functions but will not have any  
military rank. All those Sincerely, to join will be  
expelled from the Party.

"The formations, wearing civilian clothes,  
have marched in Milan where they were reviewed by Costa,  
Federale of the city.

*Bill*  
William J. Donovan,

"The greater part of Director. are former  
combatants who will sell their lives at a high price.  
Armament will be obtained from disarmed carabinieri.  
As yet the organization is not to be publicized but  
will await practical results. Mussolini hopes that  
this new organization will have a decisive effect on  
the Partisans.

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C/A 007622

"Auxiliary Corps of the Black Shirts.  
By *ABJ* Date MAY 1 1974

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OFFICE OF STRATEGIC SERVICES

WASHINGTON, D. C.

21 July 1944

MEMORANDUM FOR THE PRESIDENT

I thought you would be interested in the following report on the "Reorganization of the Fascist Party".

"Mussolini is said to have told the Wehrmacht's Attache to Italy of the reorganization of the Fascist Party which was ordered along the following lines on 21 June 1944:

"The Party, having a combat rather than a political duty in the current crisis, is to be grouped into provincial brigades with military sub-divisions to be named "Corpo Ausiliario delle Squadre d Azione delle Camicie Nere".\* The leaders will be called in accordance with their functions but will not have any military rank. All those who refuse to join will be expelled from the Party.

"The formations, wearing civilian clothes, have marched in Milan where they were reviewed by Costa, Federale of the city.

"The greater part of the members are former combatants who will sell their lives at a high price. Armament will be obtained from disarmed carabinieri. As yet the organization is not to be publicized but will await practical results. Mussolini hopes that this new organization will have a decisive effect on the Partisans.

\*Auxiliary Corps of the Action Squadron of the Black Shirts.

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"According to Pizzirani, vice-secretary of the Fascist Party, each province is to establish a "Black Brigade" commanded by a gauleiter. Each local group is to set up groups headed by local Party chiefs. All Fascists between the ages of 18 and 60, if they are not already in the Army, are to join the new Corpo Ausiliario, which can be termed a reserve militia. Owing to the ever increasing number of murders of Fascist Party members, the new organization is welcomed by the Fascists. It is known that there have also been mass executions of Fascists in occupied Italy; 60 were hanged in Civita Castellana and 1,500 shot in Rome. This knowledge has reinforced Fascist determination. Since these formations will be fighting in self defense, their fighting value will be greater than that of other Italian groups. Once the reorganization is complete, modest support from the Nazis will be sought for gasoline and heavy arms. Pizzirani intends to knit together other Black Brigades. He also intends to found a secret service to smuggle spies into enemy organizations and to bring Partisan leaders to light.

*Donovan*  
William J. Donovan  
Director

DECLASSIFIED

OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

21 July 1944

MEMORANDUM FOR THE PRESIDENT

The following message was received from air  
Miss Grace Tully,  
The White House,  
Washington, D. C.

"Andre Eaffere, alias Lamballe, who claims to be a  
friend of Edouard Herriot, submits the following mes-  
sage (allegedly) from Herriot with the request that it  
be forwarded to you:  
Dear Grace: Louis Marin:

"I have I would appreciate it if you would carry  
out a project for Herriot and his friends. At the time  
I deposited the attached memorandum to the President. and  
physical. He was, moreover, unusually energetic. I do  
not believe it will be of interest to him. also died.  
a report has been circulated frequently before. In any  
case, I still have not to carry out and if it is  
true that Herriot has died, it is more important than  
ever that I meet you. I hope you are of assistance.  
Sincerely,  
One of these was written by Herriot's brother-in-law,  
Rebatel, in compliance with a request from Herriot.  
The other was written by Herriot and I have  
confidence, Eaffere, that you will be according to my  
best interests." I wish to proceed to London and later  
to Algiers.

Bill  
William J. Donovan,  
Director.

"In behalf of Herriot, I request you to make  
secret arrangements for me to travel by plane from France.  
Georges Bidault (famous French journalist with liberal  
Catholic affiliations. Bidault formerly edited L'Aube,  
a liberal Catholic newspaper, which was suppressed by  
Petain.) who is the Chairman of the Comité National des  
Forces Libres de la République (a parliamentary resistance  
group advocating return to the political framework of  
the Third Republic) of mine, very much

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CIA 007622

By ABZ

Date MAY 1 1974

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OFFICE OF STRATEGIC SERVICES

WASHINGTON, D. C.

21 July 1944

MEMORANDUM FOR THE PRESIDENT

The following message was received from our representative in Berne:

"Andre Enfiere, alias Lamballe, who claims to be a friend of Edouard Herriot, submits the following message (allegedly) from Herriot with the request that it be forwarded to Louis Marin:

France. However, he states that he and his friends desire as:

"I have reached Switzerland secretly to carry out a project for Herriot and his friends. At the time I departed, Herriot was in good health, both mental and physical. He was, moreover, unusually cheerful. I do not place any credence in the report that he has died, a report has been circulated frequently before. In any case, I still have my project to carry out and if it is true that Herriot has died, it is more important than ever that I meet you. I possess two letters of credence. One of these was written by Herriot's brother-in-law, Rebatal, in compliance with a request from Herriot. The other was written by Herriot and states, 'I have confidence, Enfiere, that you will act according to my best interests.' I wish to proceed to London and later to Algiers.

"In behalf of Herriot, I request you to make secret arrangements for me to travel by plane from France. Georges Bidault (leading French journalist with liberal Catholic affiliations. Bidault formerly edited L'Aube, a liberal Catholic newspaper, which was suppressed by Petain.) who is the Chairman of the Comite National des Corps Elus de la Republique (a parliamentary resistance group advocating a return to the political framework of the Third Republic), and a friend of mine, very much

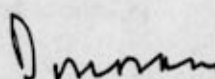
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wishes to make this journey. Kindly make it clear that regardless of whether Herriot is alive or dead, I carry with me the backing of his supporters for the reinstitution of a democratic and parliamentary republic. This still constitutes a powerful force among the people of France and we desire to inform republic supporters of our opinions regarding the formation of a government, control of the press and election procedures. Herriot's feeling for you (i.e. Louis Marin) is stronger than ever. He feels certain that you are one of the people working for the restoration of a democratic republic."

"Source indicated verbally that he was a supporter of General de Gaulle inasmuch as it was necessary to recognize him as the person who upheld the honor of France. However, he states that he and his associates desire assurances that General de Gaulle really plans to submit himself to the decision of the nation. Consequently, they desire to have genuine Republicans surrounding de Gaulle.

  
William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
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WASHINGTON, D. C.

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OSS

21 July 1944

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WB

MEMORANDUM FOR THE PRESIDENT

Here is a report from Bern that you may find

Miss Grace Tully,  
The White House,  
Washington, D. C.

21 July 1944: The following  
political comments, unless otherwise indicated,  
were attributed to Pilot-Gomez, Swiss Foreign  
Minister, in a conversation with Koerber, the  
Dear Grace:

"The Swiss would appreciate it very much  
if you would hand the attached memorandum  
to the President.  
Thank you.

Sincerely,

"Hitler is correct in considering Russia as  
the great danger to the Reich. Churchill  
holds basically the same view. During the war,  
Churchill would become very strong anti-Communist.  
He would retain leadership to reorient the front  
toward the east and would want to effect this reversal of  
Director.

"Koerber is said to have replied with the well-  
known arguments that since Churchill had believed  
Europe to the Communists he could not expect the  
sequences.

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CIA 007622

By *ABJ*

Date MAY 1 1974

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

21 July 1944

MEMORANDUM FOR THE PRESIDENT

Here is a report from Bern that you may find of interest:

"First week of July 1944: The following political comments, unless otherwise indicated, were attributed to Pilet-Golaz, Swiss Foreign Minister, in a conversation with Koecher, the German Minister.

"The Swiss General Staff assumes that the Anglo-American intentions are to extend the Normandy front as far as possible and then to effect a break-through with troops massed at one spot, very likely in the direction of St. Nazaire. The Anglo-Americans give pre-eminence to naval strategy while the Nazi's strategical line is principally determined by land activity.

"Hitler is correct in considering Russia as the great danger to the Reich and Europe. Churchill holds basically the same view. Following the war, Churchill would become very strongly anti-Communist. He would retain leadership to reorient the front toward the east and would not lack either excuse or means to effect this reversal of policy.

"Koecher is said to have replied with the well-known arguments that since Churchill had betrayed Europe to the Communists he could not avoid the consequences.

"The major political and economic concern of

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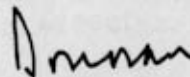
the Soviets was to put the German labor potential to the task of reconstructing Russia. This is to be taken seriously and would be accomplished by a modern system of state slavery.

"A Teheran report which had reached Pilet-Golaz stated that Roosevelt had suggested Rome for the next meeting, Churchill named Cairo and, to their consternation, Stalin insisted on Berlin.

"It cannot be denied that even though the V-1 did not destroy any essential works, it did occasion great nervousness in England.

"Ruegger, the newly appointed Swiss Minister to London, is departing for his post. Pilet-Golaz instructed him to do everything in his power to bring England to the realization that she should not destroy the basis of the continental system of states. Only Bolshevism, which was already a tremendous danger, would gain from such a weakening. Even though Pilet-Golaz said that he had been frankly skeptical about the Reich's plans for a new order in the event that she won the war, he was just as skeptical about plans for a new order in case of an Allied victory.

"Koecher is said to have answered this by saying that England would scarcely be given the chance to put her post-war plans into effect."



William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

WR.

22 July 1944.

Miss Grace Tully,  
The White House,  
Washington, D.C.

Dear Grace:

I think the President will be  
interested in reading the attached report  
from our Bern representative. Will you  
please hand it to him?

Thank you.

Sincerely,

*Bill*

William J. Donovan,  
Director.

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

22 July 1944

MEMORANDUM FOR THE PRESIDENT

Here is a report from our representative in Bern received by way of radio-telephone:

"GERMANY

"No very clear picture of the situation in Germany can yet be pieced together from the information reaching here. There is no information as yet from arrivals from Germany, and the radio material is available to you as quickly as it is to us. The developments did not come as a great surprise, except to the extent that there were reasons to doubt whether any high officers of the German Army, who had remained in positions of power after the successive purges, would have the courage to act. As reported to you, many high German officers realized, however, that the time was growing short within which the anti-Nazi forces in Germany could act to rid the country of Hitler and the Gestapo, if this was to be accomplished prior to Germany's collapse. These officers considered that Hitler's military conduct of the war was a catastrophe, and that the only hope of saving anything from the wreckage was to remove Hitler. These persons hoped that they could make some sort of a deal with the West, along the lines of the Italian pattern, and thus be in a better position to restrict the extent of Russian occupation of German territory.

"The evidence seems to indicate that possibly the Putsch was staged prematurely, probably because the action of the Gestapo forced the hand of those who were plotting to remove Hitler. Rundstedt's removal and then, more important still, the recent

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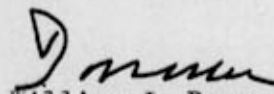
removal of von Falkenhausen in Belgium, indicate that the Gestapo was fearful of a military coup. Certain other persons who were probably to participate in the plot were also forced to run to cover before it took place. I do not believe the report circulating here that the story of the attempt on Hitler's life was fabricated or exaggerated in order to justify a thoroughgoing purge of the Army. If Hitler desired to make a purge, he would not wait for any such excuse. His statement, and those of Goering and Doenitz are hard to explain on any such theory. These statements would have too disturbing an effect on German morale to have been planted merely for the purpose of facilitating the arrest of certain generals. Further, we had ample advance warning that a plot was in the wind to discredit rumors that it was merely a Gestapo concoction. In fact, I believe that what has just taken place in Germany represents the one and only major attempt during the past eleven years to overthrow the Hitler government. No Putsch in Germany is possible without strong military backing. The Gestapo are numerous, determined and ruthless. The SS military formations in Germany could probably be counted on fully by Himmler. To meet these forces, the German generals opposing Hitler would need initially to secure the backing of several OKW divisions strategically located. Only if they could succeed in seizing and holding for a time certain strategic points could the revolt have any chance of success. As yet, we have no evidence that they have succeeded in this. If they had, it would have seemed likely that certain powerful radio stations would be in the hands of the revolt, and we would be getting news of developments. Apparently, certain Nazi stations are off the air. Whether this means they are being fought over, or whether there are other explanations, we do not know. Whatever may be the result of the Putsch, the moral effect on Germany and on the Army will be very serious. I do not believe that the Army will for long accept and fight effectively under SS leadership. Of course, certain Nazi-minded generals, such as Rommel and Guderian

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may be able to hold their troops for a time, I doubt whether von Kluge is an out-and-out Nazi, despite his apparent pledge of loyalty today. He certainly was not such some years ago. While it is too early to indulge in many predictions, I think it is safe to say that even if, as seems to be the case, revolt is being or has been suppressed in a Gestapo purge of leading generals, the Army's morale will receive a severe shock from which, in its critical situation, it will be difficult for it to recover. There is no doubt that there is a real crisis in the High Command, with men like Zeitzler and Keitel both apparently involved, and this can hardly be hidden from the men at the front. Further, Army circles have always had great respect for Beck, and if he has been executed, as reported, this will be a great shock to the rank and file of the OKW officers. It is particularly significant that Hitler apparently found no outstanding general to address to the Army the same type of appeal which Goering made to the air force and Doenitz made to the navy, and that he was not able even to give the name of the general from the East Front who he stated in his last night's speech was to be second to Guderian, who replaces the diplomatically ill Zeitzler. Outside of the opposition group which was responsible for this Putsch, I do not believe that any other group exists in Germany which would have any chance of staging active armed opposition. If this attempt has failed, the Germans will probably have to wait for the complete military collapse of Germany to rid themselves of the Nazis, and the next group to attempt this might be the Communists, probably aided by a disorganized returning German army and the foreign workers and prisoners, if there is any lapse of time between the military collapse and the Allied occupation. Certainly what Hitler refers to as the Heimatheer is the only military organization now stationed in Germany which is powerful enough to stage an action against the SS forces, and if Himmler's command of the Heimatheer becomes effective, any possibility of revolt will be largely removed.

  
William J. Donovan,  
Director

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

24 July 1944

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OSS

Miss Grace Tully,  
The White House,  
Washington, D.C.

Dear Grace:

I would appreciate it if you  
would hand the attached memorandum to the  
President.

Thank you.

Sincerely,

*Bill*

William J. Donovan,  
Director.

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E. O. 11652, Sec. 3(E) and 5(D) or (E)

CIA 007622

By *AB*

Date MAY 1 1974

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

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24 July 1944

MEMORANDUM FOR THE PRESIDENT

We have received the following report from  
our representative in Bern:

"A report from a trustworthy source states that a man in a high position in the Foreign Office in Stockholm has claimed that Nazi morale and the German military machine are undergoing a rapid deterioration. This Swedish career diplomat has had experience with Russian affairs, according to him, generals are not politically significant any more. Himmler is prepared to grab the helm, and if he manages to accomplish this, he will attempt a separate arrangement with the USSR.

"In Stockholm our people have reported that it is most probable that one Bruno von Kleist has got in touch with Soviet officials in Stockholm."

*W. J. Donovan*  
William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

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24 July 1944

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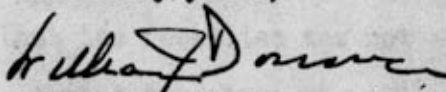
Mr. M. C. Latta,  
The White House,  
Washington, D. C.

Dear Mr. Latta:

I attach a memorandum to the President which I think will interest him.

Will you please see that it reaches him?

Sincerely yours,

  
William F. Donovan,  
Director.

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E. O. 11652, Sec. 8(E) and 5(D) or (E)

CIA 007622

By *APB*

Date MAY 1 1974

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

22 July 1944

MEMORANDUM FOR THE PRESIDENT

The military coup d'etat attempted on 20 July 1944 by strong elements of the German High Command appears to have been the outgrowth of political preparations of at least six months' duration. For your information, I have prepared a factual presentation summarizing the data on this subject which has been cabled to us from our representative in Bern.

Since it is possible to infer from the statements of Hitler and Goering that the rebellion was not put down at once, I have also included certain possible lines of action suggested for consideration by our Bern representative in the event that the opposition may be able to maintain a stand in any region of Germany.

1. Composition and Aims:

Two emissaries of the conspiring group first

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approached the OSS representative in Bern in January 1944. The group was then described as composed of various intellectuals from certain military and government circles gathered into a loose organization. The membership was said to be somewhat divided as to a course of action, some holding that Hitler and his cohorts should be made to shoulder all responsibility to the bitter end; while others favored an overthrow of Hitler and the organization of a new government before the fighting stops, which might negotiate peace. The conspiring elements were united in their preference for a western rather than an eastern orientation of German policy. In general, they were characterized by their emissaries as well-educated and influential but not rightist individuals; such characterization may have been designed for Anglo-American consumption. The group as a whole apparently maintained its foreign contacts through the Canaris organization.

The following were said by the emissaries in February and April 1944 to be among the members of the group:

General Ludwig Beck, one of the two leaders of

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the group, former chief of the German General Staff, who retired "at his own request" in 1938. General Beck, General Fritsch, and General Fromm (mentioned later as a member of this group) dominated the Reichswehr Ministry until 1938.

Carl Friederich Goerdler, co-leader of the group, a former Mayor of Leipsiz, and one-time Nazi representative to business circles in the United States.

Brigadier-General Hans Oster, former right-hand man to Canaris, who was arrested by the Gestapo in 1943 and later released but kept under surveillance and was officially discharged by Keitel in early 1944.

Colonel-General Franz Ritter von Halder, a strong figure in Catholic circles, anti-Soviet, reported ousted in 1942, although thought under consideration by the Nazis for an important new post in late June 1944.

General Thomas (probably General Georg Thomas, Chief of War Economy and Armaments in the OKW).

Hans Leuschner, socialist leader and former Minister of the Interior in Hesse, a former anti-Nazi who may

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have made some sort of peace with the Nazis.

In early April the group's emissaries again approached the OSS representative, bearing a declaration said to represent the views of General Beck and Herr Goerdler. This message stated that, with Germany's position coming to a head and the end of the war in Europe definitely in sight, the group was willing and ready to take steps to oust the Nazis and eliminate Hitler (see report to White House Map Room, dated 12 April 1944). The group claimed to be the only one with personal access to Hitler and other Nazi chiefs, with enough arms to accomplish its purpose, and with enough power in the army to make a coup feasible. Such action, however, would be contingent upon assurances from Britain and the United States that, once the Nazis had been overthrown, negotiations would then be carried out solely with the Western Powers and under no circumstances with the USSR. The essential conservatism of the group's planners was stressed, but also its willingness to cooperate with any available elements of the Left except for the Communists. The group expressed its anxiety to keep Central Europe from coming under Soviet domination.

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If capitulation were to be made primarily to the Soviet Union, the negotiations would have to be carried on by another group. Such Wehrmacht commanders in the West as von Rundstedt and Falkenhausen, the declaration maintained, would be ready to assist Allied landings once the Nazis were removed from power.

To these overtures the OSS representative said little beyond expressing his strong conviction that the United States would never act without previous consultation with the USSR. He reported at that time that he had doubts as to the group's chances of success, since he said that both Beck and Goerdler had been publicly mentioned as potential leaders of a coup, and since it could be taken for granted that the Gestapo was aware of this group. The representative thought that Gestapo had not stepped in either because it planned to wait until the group's plans had been more nearly perfected, or because the Gestapo too wished to have "an anchor in the West".

In early May the two emissaries forwarded to the OSS representative a further communication from the group.

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Its membership was said by this time to include important new members: Generals von Rundstedt, Falkenhausen, Heusinger, Zeitzler, and Olbricht (see report to White House Map Room, dated 16 May 1944). These Generals were all reported ready to assist Anglo-American units to enter Germany provided the Western Allies would agree to allow them to continue the war on the eastern front.

A new plan of action was outlined in the May communication. The plan called for the landing of three Allied parachute divisions in the Berlin area with the help of local Army commanders; major amphibious landings at or near Bremen and Hamburg; the isolation of Hitler and high Nazi officials in Obersalzberg by trustworthy German units posted in the Munich region; and Allied landings on the French coast, though these in their early stages were thought difficult to plan as Rommel could not be counted upon for cooperation. In the communication the group reaffirmed its belief that Germany had lost the war, that the last hope of preventing the spread of Communism in Germany would be an Anglo-American occupation of the greatest possible portion of the Reich, and that the only means of accomplishing this

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would be to help the Anglo-American forces to enter Germany before military collapse in the East.

The two emissaries at this time expressed the opinion that the group's proviso with regard to the exclusion of the USSR was unrealistic; they regarded the plan for speedy American and British occupation of Germany as the core of the proposal. One of the emissaries admitted a lack of confidence in the political courage of the German generals, on the basis of past experience, and remarked that the Allies might do well to ignore their propositions if an early victory and speedy occupation of Germany appeared certain. The OSS representative reported his own doubts as to whether the group would possess the necessary determination to act effectively at the appropriate time.

In early July a courier arrived in Bern bearing a communication displaying new confidence in the strength of the group (see report to White House Map Room, dated 18 July 1944). This message reported that the movement had gained new vigor from the Soviet victories in the East,

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from the Allied landings in the West, and from certain developments in Germany. Colonel-General Fritz Fromm, Chief of the Home Command, who controlled the regular army within Germany, was said to have joined the group. Further strength was said to have been acquired by the alleged transfer of OKW headquarters from East Prussia to a locality near Berlin and the resultant proximity to Berlin of General Olbricht, Chief of the General Army Office, Colonel-General Kurt Zeitzler, Chief of Staff, and other generals supposed to be in the opposition. Cooperation was also claimed from a group of anti-Hitler elements headed by Wolff Graf Helldorf, Berlin chief of police and an old time Nazi. The message said that the group's plan of action called for an ordered retreat from the West and the dispatch of all crack divisions to defend the eastern front. Efforts would be made to convince the generals to wage a final struggle against Nazism.

On 12 July the OSS representative reported that a dramatic event might take place up north, if the infor-

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mation brought by the group's courier could be trusted, and warned that any news would be suppressed by violence, if necessary. This was the last word received before the news of the attempted coup.

2. Nazi Counter-measures.

By the first week in July it became amply clear that the National Socialist Government was aware of impending revolt in high military circles. In his funeral oration for General Dietl (2 July) Hitler extolled those who devoted themselves to the German cause with fanaticism as opposed to the lukewarm supporters of the war effort. On 7 July when the break through in the East began and the western beachhead loomed as a firmly established threat, Goebbels wrote an editorial in Das Reich pointing out that the home front was the critical area in the German war effort and that all power should be given to "the fanatics". This article constituted a marked departure from the earlier propaganda line, which emphasized the participation of all Germans in the conduct of the war.

These official statements were harbingers of the



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Party's intention to seize all power in the state, including that over the military establishment. On 19 July news leaked out to Stockholm that Heinrich Himmler would shortly be named to a post of first importance in the German High Command. Himmler's powers, it was said, would include complete control over all military appointments both in the field and in the Home Command. As this report was received, telephone communications between Stockholm and Berlin were cut (1655, 19 July). The report therefore antedates the coup of 20 July.

3. The Coup d'Etat.

To the Army leadership the acquisition of such powers by Himmler clearly would be regarded as the end of their political power, domestic and international, which rested on their control of the armed forces. It may be assumed that the High Command felt its international bargaining strength to lie in its armies in the field. This was weakened by enemy action and also by the removal of General von Rundstedt and the presence of Rommel on the Western front. The High Command's domestic strength, on

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the other hand, resided in General Fromm's home forces. As the armies in the field approached defeat the importance of the home army would increase. Only through control of the home army could Germany's military leadership eliminate the Nazis without exposing itself to social revolution.

It is therefore believed that the proposed appointment of Himmler (subsequently announced in Hitler's speech after the coup) precipitated the military conspirators into premature action. The actual attempt upon Hitler's life, hastily organized as it was, had to be made before the appointment of Himmler could take place.

We have just received from the OSS representative in Bern the following dispatch, dated 21 July, containing his estimate of the situation:

"The coup d'etat appears to have been the result of the planning and organization outlined in my earlier communications. It had been intended that certain men in the inner circles of the conspiracy, such as General Heusinger, would be at the meeting when the bomb went off because the only chance for planting the bomb was in conjunction with a conference attended by many of the chief military leaders. One of the members of the group was Stauffen-

berg who served as liaison between the older officers on active duty at General Headquarters and the younger group, formerly headed by Helmut von Moltke. Stauffenberg, in addition, acted as councillor to Goerdler.

"The outcome of the revolt at present rests with the Reserve Army 'Heimatheer' and their willingness to follow Himmler as their chief or whether they will stick to their old commanders some of whom appear to be involved in the plot. Naturally, the blood purge will be unmerciful.

"One of the disheartening facts seems to be that the participants in the revolt do not have adequate radio facilities at their command. However, it has come to our attention that a report from Reuter's states that a message dispatched by the rebels from Frankfurt-Am-Main this morning was interrupted.

"However, a thorough perusal of the Goering-Hitler statements would lead to the inference that the rebellion was not put down at once."

#### 4. Suggested Lines of Action.

In the event that the opposition does find it possible to maintain a stand in any region of Germany, it has been suggested by our representative in Bern that the Allied Government might wish to consider the following possible lines of action:

"(1) Some word from the President to counter Goebbel's line about the Allies' plan for com-

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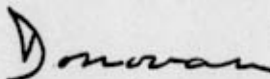
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plete annihilation of the German people. This would encourage the anti-Nazi groups.

"(2) Air raids on the Nazi stronghold in the region of Berchtesgaden. Although the immediate military effectiveness of such action would be unimportant, it is possible that the psychological reaction would be great. Naturally, any break in the communication channels between the region of Berchtesgaden and the rest of the country would be especially valuable.

"(3) Providing the rebellion gains any momentum, some announcement to the effect that any German town which sides with the opposition would not be attacked whereas Gestapo centers and Nazi strongholds would be bombed unsparingly.

"(4) Large-scale dissemination of pamphlets from the air."

  
William J. Donovan  
Director

P.S. Since writing the foregoing I have received a further dispatch from Bern which reads as follows:

"Up to 1:00 P.M. today (22 July 1944) the Nazi Legation had not had any news from the Foreign Office, not even the customary "sprach regelung". This is the Nazi term for instructions on how to lie. There are positive signs that if a revolt did get under way, several Nazi officers at this end would abandon the sinking ship."

W.J.D.

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PSF: OSS

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

LR

22 July 1944

Miss Grace Tully,  
The White House,  
Washington, D.C.

Dear Grace:

I believe the President will  
be interested in the attached memorandum.  
Will you please hand it to him?

Thank you.

Sincerely,

*Bill*

William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

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24 July 1944

MEMORANDUM FOR THE PRESIDENT

The following report was received from our  
Berne representative over radiotelephone:

GERMANY

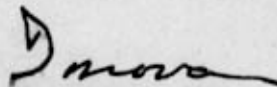
"Until some trustworthy persons arrive from Germany, we will not know the full story of what took place, but it seems clear now that any prospects of an armed military revolt growing out of the Putsch against Hitler have been crushed. I am inclined to believe that the Gestapo probably had a good deal of prior information about some of the persons involved, and were ready to strike and to strike hard. Himmler was probably glad to have an opportunity to do this before the retreating German armies were themselves on German soil, as it is far easier to deal with the Heimatheer than it would be to deal with the troops fresh from the defeats in the East, West, and South. But, in any event, a good deal of benefit to the Allied cause can result, as this attempt at revolt should help to undermine the will of the German Army to keep up the struggle. Obviously, an attempt is being made in Germany to play down the importance of those who were alleged to be in the plot, and therefore our tactics should be just the opposite. The personality of Beck gives us a good opportunity. He was a man of the highest military attainment, who enjoyed great respect from his colleagues, and who at the same time from pre-war days refused to play along with Hitler's wild program of military conquest. Zeitzler, too, is a figure who can be used, as no one believes the story of his illness. Keitel's position is

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still obscure, but I am inclined to doubt the story that he was implicated in the plot. Apparently Mannstein, too, had nothing to do with it, as, according to excellent reports, he is undergoing a serious eye operation at Breslau. This attempt to overthrow Hitler was largely engineered by men who desired a western orientation of German policy, even though apparently they received no encouragement from the West, and acted on their own initiative entirely. The next attempt to overthrow the Hitler regime from the inside is likely to come from an eastern oriented group, possibly after a part of East Prussia is occupied and a German government a la Seydlitz is installed there. It is probably that the failure of Beck and his friends will still further increase the influence Russia in Germany and somewhat decrease the influence of the West. Russia has throughout played a more realistic policy in dealing with the internal German situation than has either the United States or England, and it is possible that, from now on, the Seydlitz Committee will increase in importance and have a larger scope of action. This is a development we should not underestimate, particularly now that the western-oriented dissident group in Germany, in and outside of the army, has received a serious, if not a fatal setback."



William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

24 July 1944

REF ID: A68888

E. O. 11652, Sec. 3(E) and 5(D) or (B)

CIA 007622

By *WBS*

Date MAY 1 1974

MEMORANDUM FOR THE PRESIDENT:

I believe that you will find of interest the following report which we have received from our representative in Bern concerning the smuggling of wolfram from Spain.

"The statements set forth below concerning the smuggling of wolfram from Spain are reported to have been made by the German Embassy in Madrid.

"Second week of June 1944: Sofindus (Sociedad Financiera e Industrial, controlled by German interests) has 800 tons of wolfram concentrate stored in various places, and has agreements that provide for an additional 250 tons.

"It has been the practice to substitute some other ore for the wolfram which is smuggled out of the country. The substitute ore weighs the same amount and is packed in the same way, so that there is no apparent change in the original storage pile. The drawback to this system is the delay in the exports for each month and the growing risk both to the stored concentrate and to the Sofindus organization itself. There is increasing danger that the stored material may not be secure against an official inventory, which might occur at any time.

"Consequently, dealings are now under way between Bernhardt, President of Sofindus, and a powerful Spanish group. The latter has offered to ship out all wolfram stocks belonging to Sofindus, in compliance with an arrangement made on 12 January 1944. With the collaboration of certain Spanish officials, this group would make a pretense of buying the Sofindus stocks, and would take

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them to Cerbere or some other French junction. It would then turn the wolfram back to the Germans at the rate of 120,000 pesetas a ton. It would be necessary to disguise the wolfram in order to get it across the border, but the Germans consider that this system would eliminate the danger of discovery while passing the frontier.

"The former methods for exporting wolfram illegally would still be used in the previous way.

"The price mentioned above may appear unusually high; it is explained by the fact that the Spanish organization would assume the Spanish wolfram tax of 100,000 pesetas a ton.

"Sofindus is expected to put up 50,000,000 of the 96,000,000 pesetas necessary to carry out this plan. The Germans propose to secure the remainder in some way from funds which would be paid by the Spanish War Ministry in return for German war materials.

"The Germans reason that, since the output from their own mines in Spain reduces the export legally allowed (twenty respectively forty tons a month) (sic), it would look plausible for them to sell ore which they are not permitted to export. To make this sale appear even more logical, the Germans might announce that new technical advances had been made or that they had found deposits in land under their control, so as to make it seem that wolfram is less important to them than their enemies think.

"It is believed that this agreement will be concluded through the German Embassy in Madrid.

"First week of July 1944: In Bayonne, Sofindus has covered storage capacity for 20,000 tons. They also have storage room for ore, spar, pyrites and other materials which can be kept out of doors; it is expected that this space will be filled within a couple of months.

"It was reported that the Nazis were expected to protest Spain's action in holding up at the frontier the

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June export quota of 20 tons of wolfram.

"The Germans' illegal exports of wolfram from Spain are said to have amounted to 69.6 tons. From 1 January to 3 July 1944, Spain is stated to have shipped 834.6 tons to Germany, in the following amounts:

January - - - - -	302 tons, authorized
May - - - - -	20 tons, authorized
April, May, June	
and early July - - - - -	-512.6 tons, illegally

"In the second week of July 1944, Lohse, of Sofindus, was said to have stated that a Spanish customs official who was aiding the Germans with their illegal export had been approached by Herr von Junkir (sic) and Herr von Neuber. These men had been sent by the Paris organization STTO (Abwehrend) (sic) to make arrangements for exporting some wolfram illegally. The Germans in San Sebastian were much perturbed and hoped that the two new agents would be instructed to desist, since their endeavors might ruin the existing plans.

"The Germans are reported to be making progress with their new scheme for the illegal export of wolfram. As a beginning, in order to bewilder their enemies, they had General Davila (Lieutenant General Davila is assistant to General Esteban Infantes, Chief of the Spanish General Staff) and General Vigon (Major General Vigon is Minister of Air) tell Foreign Minister Jordana that the Germans wished to bring the stocks back into the interior. The Spanish Foreign Office then presented this request to the British as their own, and received the consent of the latter. The permit was issued to the Germans immediately thereafter. The sale of wolfram is now going on, and the Nazis are expected to pay the Minerales de Espana within a few days, by the ingenious method of using several banks. Copies of the invoices were to have been sent secretly to the Ordnungerrat, which is expected to approve the sale.

"In order to cover itself in case its books are audited and in view of the possible difficulty in getting an export

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permit, Minerales de Espana is reported to have requested the Germans to send confirmation in writing of a power of attorney from Dr. Hetnsgehm (sic) of the Gesellschaft fuer Elektrometallurgie in Berlin, giving them the right to sell wolfram in Spain and to pay the proceeds to the Embassy. It is said that any losses incurred will be met by the Germans."

William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

WS

26 July 1944

MEMORANDUM FOR THE PRESIDENT

Miss Grace Tully,  
The White House,  
Washington, D. C.

Dear Grace:

Would you be kind enough to place  
the attached memorandum before the President?

Thank you.

Sincerely,

WJ

William J. Donovan,  
Director.

"It appears that only when Hitler felt that he  
had coped with the immediate crisis, was Goebbels  
allowed to start in with his official propaganda,  
which is doing its utmost to play down the import-  
ance and scope of the attempted action by emphasizing  
again and again that only a very small group of

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

26 July 1944

MEMORANDUM FOR THE PRESIDENT

Here is a report received from our representative in Bern by way of radio-telephone:

"GERMANY

"The Berlin correspondent of the Neue Zuercher Zeitung today gives the first detailed report on last week's attempted anti-Nazi revolt. Obviously, the report had to be carefully worded on account of German regulations. It contains some interesting hints with regard to the internal situation in Germany. The report states that photographs appearing in the German press of Hitler bidding farewell to Mussolini, after his visit to headquarters, may indicate that Hitler's right hand has been wounded, since he is giving Mussolini the left hand. Likewise, only the left side of Hitler's face is shown, giving rise to the supposition that possibly the right side of the face is wounded. According to the same report, even the name of General Beck as a participant in the plot has been altogether withheld from the German public and has only been given to the foreign press; nor have the Germans been informed as to the names of any other prominent men involved. (End of the comment from the Neue Zuercher.)

"It appears that only when Hitler felt that he had coped with the immediate crisis, was Goebbels allowed to start in with his official propaganda, which is doing its utmost to play down the importance and scope of the attempted action by emphasizing again and again that only a very small group of

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retired reactionary officers were responsible for the plot. It seems possible that Goebbels was not in accord with the somewhat hysterical and blundering handling of the propaganda phase of the matter by Hitler, Goering, and Doenitz in their original speeches. Actually, every indication points to the fact that a considerable number of outstanding German military and civilian leaders were behind the attempted revolution. The knowledge of this fact can have a far-reaching effect on German morale at home and at the front, and may well hasten the end of the war. Never during the course of this war has the Allied propaganda had such an opportunity to strike at the heart of the Nazi war effort. In answer to the lies of the official German propaganda, it should be emphasized to the German people 1) that the attempted revolution was the first major attempt to overthrow the Hitler regime since its inception; 2) that a large number of leading generals and members of the General Staff, as well as many younger officers, were apparently back of the attempted plot; 3) that it is more than likely that the Chief of Staff of the German Army, Zeitzler, and others of this rank were involved because they were of the opinion that it was useless to continue the war and to sacrifice more German youth for a hopeless cause; 4) that a group of prominent civilian leaders were ready to take over the government after the military government had cleaned out the Nazis; 5) that the new government had intended to bring peace to the German people as quickly as possible; 6) that now the time had come for every German to do his share to overthrow the Nazis, to end the war, and to save for Germany whatever can be saved.

"A special broadcast might well be addressed to German soldiers and workers giving directions how each one of them could contribute to bring about peace by disobeying orders, staying away from work, return-

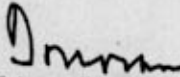
ing home to their families, etc. So far, Russian propaganda has been particularly astute in making use of this opportunity. In this connection, the recent appeals of the committee, Freies Deutschland, to the German people, especially to the German soldiers and workers are outstanding examples. Up to now, we have had nothing as effective to offer. If this situation continues, the result may be that the Germans in their plight will turn increasingly to Russia, or to the committee Freies Deutschland, for leadership. This development is accentuated by the fact that Russian troops will probably be the first to reach German territory, thus opening up the possibility of establishing the first center for anti-Nazi activities upon German soil, possibly under the auspices of the Freies Deutschland committee.

"I have just heard tonight from a good source that Berger, Hitler's co-worker, who was the only one who was immediately killed at the time of the attack on Hitler, was Hitler's double. Possibly Stauffenberg, who probably did not know Hitler well, made a mistake.

"General Guderian has not always been in Hitler's favor. In December 1941, he was ordered to make a tank attack at Tula, near Moscow. He argued against it on account of the cold. The Fuehrer ordered him to proceed. He did, and, in a few days, reported back to Hitler that all his tanks were frozen and what should he do next. Hitler did not show any sense of humor, and Guderian was out of a job for more than a year.

"Here is what purports to be a statement from an anti-Nazi Prussian official, which just came to me: Wounded soldiers on leave from the front state that morale in the East is about ready to collapse. The fighting morale has been so weakened that bloody altercations have taken place at different sectors

of the front. For this reason, special commandos, called UK (Unterdrueckungs Kommando) have been formed. These flying police forces are ordered into action whenever the Nazi faithful troops are endangered by the depressed soldiers. The depressed troops are then transferred to new Wehrmacht units. The report continues that the higher Nazi bosses are already moving with their families to sparsely populated districts along the Austrian frontier. The opposition believes that many Nazis may flee to Spain when worst comes to worst. Diplomatic baggage is being sent to Spain every day. So far, diplomats are taking large packing cases, and countless valuables have already been shipped from the Reich to that country. In South Germany, the population has been ordered not to have any conversations with soldiers on leave from the front, as their pessimistic stories are not to be believed. The Gestapo say that they tell things from sheer nervousness which are detrimental to the unity of the people.

  
William J. Donovan  
Director



OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

DECLASSIFIED

27 July 1944.

W.F.  
PSF  
OSS

Miss Grace Tully,  
The White House,  
Washington, D.C.

Dear Grace:

I believe the attached memorandum  
will be of interest to the President. Will  
you please hand it to him?

Thank you.

Sincerely,

*Bill*

William J. Donovan,  
Director.

DECLASSIFIED

E. O. 11652, Sec. 8(E) and 8(B) or (D)

CIA 007622

By *ABJ*

Date MAY 1 1974

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

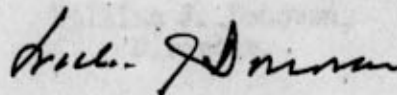
27 July 1944

MEMORANDUM FOR THE PRESIDENT

The following message was transmitted from our Bari office where it was received from Colonel West, our chief representative in Greece:

"1. An unexpected landing was made last night by the Russian Military Mission on the airfield in the neighborhood of the Allied Military Headquarters in Greece. Force 133 is completely amazed and feels sure that London was not forewarned. Think that the mission took off from the Bari airfield.

"2. West and a senior British officer are going ahead to meet the mission. As yet we do not know the makeup of the landing party. At the time of the Russian landing, the British officer was traveling to meet West. As soon as we receive the details, will forward them to you."



William J. Donovan  
Director

~~DECLASSIFIED~~

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

28 July 1944

PSF  
OSS

MEMORANDUM FOR THE PRESIDENT

28 July 1944

The following report from one of our agents

who is with the RAM Organization supplements the report sent to you  
Miss Grace Tully,  
The White House,  
Washington, D. C.

Dear Grace: 25th to 26th of this month. Last

night a Soviet Military Mission landed by  
plane. Would you be kind enough to place  
the attached memorandum before the President?

Thank you. They are part of a mission  
to Tito and some of Tito's men are said to ac-  
company the Russians. Sincerely,  
erred whether or not the mission is to be a per-  
manent one.

\*2. The RAM Organization is in a  
crisis. Additional but William J. Donovan  
for but the local authorities at the mis-  
sion will try to pacify its extremists and con-  
vince RAM that it should participate in a unity  
government.

\*3. A good source told me that the Soviet  
Minister in Egypt pointed out to me that the  
Soviet Government wants the government at Cairo  
to provide particular details.

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E.O. 11652, Sec. 3(E) and 5(D)-(E)

CIA 007622

By [Signature]

Date MAY 1 1974

William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

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DECLASSIFIED

28 July 1944

MEMORANDUM FOR THE PRESIDENT

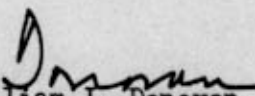
28 July 1944

The following report from one of our agents who is with EAM/ELAS supplements the report sent to you yesterday on the mission sent by the Russians to Greece:

"1. 25th to 26th of this month. Last night a Soviet Military Mission landed by plane in this vicinity. EAM Headquarters expects them and a reception has been prepared. Unconfirmed report numbers mission at 10, led by a Soviet Colonel. They flew from Yugoslavia in a Russian plane. They are part of a mission to Tito and some of Tito's men are said to accompany the Russians. As yet have not discovered whether or not the mission is to be a permanent one.

"2. The EAM Organization is facing a crisis. Additional information is being looked for but the local moderates expect that the mission will try to pacify its extremists and convince EAM that it should participate in a unity government.

"3. A good source told me that the Soviet Minister in Egypt pointed out to Svolos that the Soviet Government wanted EAM to participate in the government at Cairo without regard to particular details."

  
William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

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28 July 1944

PSF  
OSS

MEMORANDUM FOR THE PRESIDENT

28 July 1944

The following intelligence report was re-

layed to us by our German representative. It was

Miss Grace Tully,  
The White House,  
Washington, D. C.

ambassador:

Dear Grace:

Would you be kind enough to place  
the attached memorandum before the President?

Thank you.

Sincerely,

*Bill*  
William J. Donovan,  
Director.

"2. Secondly, Petain announced to the neutral  
and Vatican diplomats and told them that if they should  
learn that he was gone, they could assume  
he had not left of his own volition, they could assume  
he was prisoner. Remembering that he had been  
with Petain, when he heard of his capture, he  
protest. Petain denied him and stated that he

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E. O. 11652, Sec. 3(E) and 5(D) or (E)

CIA 007622

By

*DBS*

Date MAY 1 1974

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

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DECLASSIFIED

28 July 1944

MEMORANDUM FOR THE PRESIDENT

The following intelligence report was relayed to us by our Berne representative. It was brought there by Paul Morand, the newly arrived Vichy Ambassador:

"1. Bonnard, Deat and Bichelonne together composed a letter to Hitler stating that French collaboration on the current basis was finished, and that the only line possible to France would be a declaration of war on the British and Americans. This letter was written without the knowledge of either Petain or Laval. Laval heard of the letter through the Nazis, and summoned a council of the Ministers. Deat refused to attend the meeting, at which Laval fiercely attacked both Bonnard and Bichelonne. (The following is the comment of our Bern representative: I voiced my amazement at Bichelonne's stand, to which our source replied that he had learned that over the past two or three months Bichelonne has virtually gone wild, perhaps because he is numbered among the first ten for execution by the patriots.)

"2. Recently, Petain summoned all the neutral and Vatican diplomats and told them that if news should reach them that he was gone from Vichy, they could assume he had not left of his own volition and that he was being held prisoner. Renthefincke attempted to get an audience with Petain, when he heard of the foregoing, to lodge a protest. Petain denied him an audience stating that he,

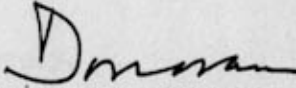
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-2-

Pétain, was not at Renzhefincke's disposition, but rather the latter was at his disposal.

"3. Reynaud, Blum and Mandel were returned to France by the Nazis. Laval was informed that they were being handed over to his custody for execution should Algiers kill any more collaborationists. It is reported that Laval told Renzhefincke, who delivered this message, that he would ignore his visit. Laval further stated that if he had any message for Algiers he should deliver it through Spanish diplomatic channels. To all appearances Laval would not accept the custody of the three men and the Nazis took them away. During one of their transfers in France, the Melice attacked Mandel's car and he was killed. Nothing is known of the whereabouts of Blum and Renaud."

  
William J. Donovan  
Director

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

~~DECLASSIFIED~~

29 July 1944.

Miss Grace Tully,  
The White House,  
Washington, D.C.

Dear Grace:

Will you please hand the  
attached memorandum to the President?

Thank you.

Sincerely,

*Bill*

William J. Donovan,  
Director.

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DECLASSIFIED

OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

29 July 1944

MEMORANDUM FOR THE PRESIDENT

DECLASSIFIED

E. O. 11652, Sec. 3(E) and 5(D) or (E)

CIA 007622

By *DPK*

Date *MAY* 1 1974

The recent plot to assassinate Hitler and overthrow the Nazi regime (about which I have sent you several reports) recalls an earlier approach which was made to one of our representatives in Istanbul. (You will remember that an approach was also made in Sweden, concerning which I wrote you on 20 March 1944.)

The approach in Istanbul was made at a time when it was clear that our relations with the Russians would not permit negotiation with such a contact, especially since the plan advanced involved an attempt to permit Anglo-Saxon occupation to the exclusion of Russia. However, the incident is of historical interest at this moment as it now appears that the approach which was made by a well known lawyer, then attached to the German High Command as an expert on international questions, was in all probability a manifestation of the movement des-

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cribed in the memorandum to you dated 23 July 1944. A despatch from our representative in Bern dated 21 July and quoted in our memorandum to you states that this man, to whom we have given the code designation Hermann, acted as the head of the younger group of officers at General Headquarters who participated in the conspiracy.

The proposal in essence set forth the willingness of this group (then known as the Hermann Group) to accept military defeat and occupation by the Allies in order to prevent a Russian invasion of Germany. An essential condition to the foregoing was the establishment of a line against the Russians based on Lemburg-Tilsit. The group expressed its readiness to undertake military cooperation with the Allies on the largest possible scale with a view toward ousting Hitler and paving the way as speedily as possible for the Anglo-American occupation of Germany. On the most important point of how this cooperation could be effected the plan was silent.

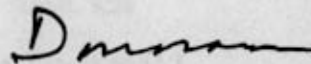
I directed our representative in Istanbul to enter into no negotiations with Hermann but to keep open the channel of contact. The American Military Attache

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-3-

was apprised of this contact and of the outlines of the proposal. Although subsequent to the delivery of the group's proposal to our representative in Istanbul further overtures were made and a meeting was requested, this meeting could not take place due to the arrest of Hermann who, so far as we know, has remained in custody.



William J. Donovan  
Director

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**TOP SECRET**

OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

29 July 1944

WR  
PSF  
OSS

Miss Grace Tully,  
The White House,  
Washington, D. C.

Dear Grace:

I believe the President will be  
interested in the attached memorandum. Will  
you please hand it to him?

Thank you.

Sincerely,

Bill

William J. Donovan,  
Director.

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By Authority of CIA

007622

By ABJ Date JUN 11 1973

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OFFICE OF STRATEGIC SERVICES  
WASHINGTON, D. C.

27 July 1944

MEMORANDUM FOR THE PRESIDENT

As an illustration of the value of the counter-espionage work undertaken by the X-2 Branch of OSS, I am submitting for your information this report showing the contribution which its representatives have made to the Allied war effort in Italy.

Altogether, during the period of 1 January to 15 July 1944, 972 enemy agents have been identified, 150 have been captured and 13 have been executed as a result of counter-espionage information furnished by X-2 Italy. In addition, five controlled double agents are presently engaged in penetrating enemy intelligence.

X-2 counter-espionage activities in Italy have been divided into two main operations, one based upon Naples and the other upon Rome.

NAPLES

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By Authority of CIA

007266

By SPS Date JUN 11 1973

With headquarters at Naples during the period 1 January to 6 June 1944, X-2 representatives interrogated suspects and

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- 2 -

investigated or penetrated possible Fascist groups. A unit was maintained with the 5th Army and The Refugee Interrogation Post at Sessa Aurunca. Another unit operated, as need arose, with the 8th Army and at Bari. Information obtained covered three phases of German intelligence activities:

1. After the defeats at Sicily and Salerno the German ABWEHR was completely disorganized and the bulk of intelligence operations was carried out by the German I(c) which is comparable to G-2. These operations were of a short range nature and the agents were poorly trained and paid.

2. During the period of delay before Cassino the ABWEHR was able to reorganize and take over the outposts set up by I(c) for use in putting agents over our lines. These agents of ABWEHR I were trained in schools in Rome and Florence. They usually came in pairs, of whom one was a wireless operator and the other the collecting agent.

3. The third phase was the sabotage activities of the Sicherheitsdienst (S.D.) and ABWEHR II. Interrogation of these agents revealed that many former

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By NPJ Date JUN 11 1973

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- 3 -

North African enemy agents were not working actively in Italy. It was also revealed that the S.D. recruited young Italians in Italy and then sent them to Scheveningen, Holland, for training. Valuable information regarding the school and instructors was obtained.

ROME

The accomplishments of X-2 representatives in Rome from 6 June to 15 July 1944, as summarized below, were made possible by valuable information previously obtained from captured agents.

1. As a result of this information which included even hotel rooms and telephone numbers, raids plotted and carried out on the following headquarters led to the capture of 47 principal stay-behind agents and 17 W/T sets.

(a) ABWEHR Headquarters and Training School. Codes, call signs, and documents were seized. Many of the key figures had departed only a day or two previously for Florence.

(b) Fascist Republican Headquarters.

This organization provided the Germans with

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By NRJ Date JUN 11 1973

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- 4 -

"stay-behind" agents. Colonel David, the director, barely escaped, the remains of his unfinished meal still on the table. Papers had been torn but not burned. It was possible to piece these together, and as a result the names and descriptions of 37 "stay-behind" agents were obtained. Subsequent capture of these agents removed any suspicion that these documents were "planted".

(c) German I(c) Headquarters. Intelligence documents and agent lists were seized.

It is anticipated on the basis of progress to date that the entire German network will be rounded up and neutralized.

2. An Italian double agent has furnished the names of 500 persons who are presently being investigated.

3. Captain ALESSI, an ABWEHR agent whose connections and activities we have been following since last September, confirmed information already known to us to the effect that in the Finnish Legation at the Vatican a W/T operator is working with German Intelligence.

4. A wealth of material on hand completely reveals

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WPS Date JUN 11 1973

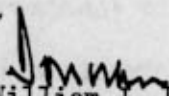
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- 5 -

the entire enemy "stay-behind network" and the present headquarters and lodgings of enemy agents now in Florence. It will be possible to neutralize all "stay-behind" activities, to penetrate Florence before arrival of our forces and to be prepared for future Florence targets as well as other targets in Northern Italy.

  
William J. Donovan  
Director.

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By Authority of CIA

007266  
By WBS Date JUN 11 1973

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